

RDS Payment: A Follow-up

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Topics

- Cost Reporting
- Reporting Updated Costs
- Payment Request
- General Questions and Reminders

Cost Reporting

Cost Reporting Reminders

- Applications in Plan Year 2006 that started in 2005 must still report 2005 cost data for threshold/limit reduction accumulations
- Please make sure when reporting costs you report under the correct Unique Benefit Option Identifier (UBOI)

Cost Reporting Reminders

- Be sure that the costs you are reporting for a given month are valid. Specifically,
 - only submit costs incurred for qualified covered retirees during the month being reported, within the subsidy period for a given retiree

Cost Report: Common Questions

- Q. I just sent my cost report to the RDS Center but have not received any confirmation that it was received.
- A. The RDS Center does not send an e-mail, or generate a response file, when cost reports are received. Accepted Cost Reports are displayed in the RDS Secure Web Site within 24 to 48 hours after submission.

Cost Report: Common Questions

Q. I am a Cost Reporter and cannot see the 28% subsidy calculations, or any other payment related data.

A. A Cost Reporter is only able to submit costs and will not be able to view the subsidy amount or any other payment related data.

Cost Report: Common Questions

- Q. How do I report costs if they have changed from what I previously reported to RDS?
- A. If costs have changed, simply enter the updated total costs and then resubmit the updated cost report to RDS.

Reporting Updated Costs

Updating Costs as Cost Reporter

Month/ Year	Estimated Premium	Gross Retiree Cost	Threshold Reduction	Limit Reduction	Gross Eligible	Estimated Cost Adjustment	Allowable Retiree Cost
Totals	\$0.00	\$2,306,837.64	\$619,577.42	\$35,020.02	\$1,652,240.20	\$36,951.23	\$1,615,288.97
January 2006 edit	N/A	\$200,000.00	\$90,000.00	\$800.00	\$109,200.00	\$6,000.00	\$103,200.00
February 2006 edit (UPDATED)	N/A	\$406,837.64	\$124,577.42	\$9,720.02	\$272,540.20	\$8,721.23	\$263,818.97
March 2006 edit (UPDATED)	N/A	\$350,000.00	\$70,000.00	\$6,000.00	\$274,000.00	\$9,000.00	\$265,000.00
April 2006 edit (UPDATED)	N/A	\$250,000.00	\$50,000.00	\$5,000.00	\$195,000.00	\$5,000.00	\$190,000.00
May 2006 edit (UPDATED)	N/A	\$350,000.00	\$35,000.00	\$3,500.00	\$311,500.00	\$4,500.00	\$307,000.00
June 2006 edit (UPDATED)	N/A	\$750,000.00	\$250,000.00	\$10,000.00	\$490,000.00	\$3,730.00	\$486,270.00

Viewing Updated Costs as Payment Requester

Benefit Options

Include In Payment Request	Review Status	Benefit Option Name	Unique Benefit Option ID	Payment Request Last Submitted	Cost Report Last Submitted	Current Subsidy Amount	Old Subsidy Amount	Net Subsidy Amount	Number of Reporting Sources	Actions
<input type="checkbox"/>	Costs Not Reviewed	GM	GM	June 21, 2006	July 25, 2006	\$452,280.91	\$191,681.43	\$260,599.48	1	Select One ▾
<input type="checkbox"/>	No New Costs to Review	HP	HP	June 21, 2006	No Reports	\$0.00	\$167,503.25	\$167,503.25	1	Select One ▾ Go
<input type="checkbox"/>	No New Costs to Review	LP	LP	June 21, 2006	No Reports	\$0.00	\$24,004.51	-\$24,004.51	1	Select One ▾ Go
<input type="checkbox"/>	No New Costs to Review	MS	MS	June 21, 2006	No Reports	\$0.00	\$210,590.56	\$210,590.56	1	Select One ▾ Go
<input type="checkbox"/>	No New Costs to Review	NS	NS	June 21, 2006	No Reports	\$0.00	\$231,659.77	\$231,659.77	1	Select One ▾ Go

Costs and Subsidy Amount for Benefit Option

Total		Estimated Premium	Gross Retiree Costs	Threshold Reduction	Limit Reduction	Gross Eligible	Estimated Cost Adjustment	Allowable Retiree Costs	Subsidy Amount
	Current	N/A	\$2,306,837.64	\$619,577.42	\$35,020.02	\$1,652,240.20	\$36,951.23	\$1,615,288.97	\$452,280.91
	Old	N/A	\$1,173,672.47	\$449,916.24	\$16,549.01	\$707,207.22	\$22,630.70	\$684,576.52	\$191,681.43
	Net	N/A	\$1,133,165.17	\$169,661.18	\$18,471.01	\$945,032.98	\$14,320.53	\$930,712.45	\$260,599.48

Costs and Subsidy Amount Per Month for Benefit Optio

Updated

Date			Gross Retiree Costs	Threshold Reduction	Limit Reduction	Gross Eligible	Estimated Cost Adjustment	Allowable Retiree Costs	Subsidy Amount
January 2006	Current	N/A	\$200,000.00	\$90,000.00	\$800.00	\$109,200.00	\$6,000.00	\$103,200.00	\$28,896.00
	Old	N/A	\$443,615.83	\$258,484.55	\$868.11	\$184,263.17	\$5,896.50	\$178,366.67	\$49,942.67
	Net	N/A	-\$243,615.83	-\$168,484.55	-\$68.11	-\$75,063.17	\$103.50	-\$75,166.67	-\$21,046.67
February 2006	Current	N/A	\$406,837.64	\$124,577.42	\$9,720.02	\$272,540.20	\$8,721.23	\$263,818.97	\$73,869.31
	Old	N/A	\$406,837.64	\$124,577.42	\$9,720.02	\$272,540.20	\$8,721.23	\$263,818.97	\$73,869.31
	Net	N/A	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
March 2006	Current	N/A	\$350,000.00	\$70,000.00	\$6,000.00	\$274,000.00	\$9,000.00	\$265,000.00	\$74,200.00
	Old	N/A	\$323,219.00	\$66,854.27	\$5,960.88	\$250,403.85	\$8,012.97	\$242,390.88	\$67,869.45
	Net	N/A	\$26,781.00	\$3,145.73	\$39.12	\$23,596.15	\$987.03	\$22,609.12	\$6,330.55
April 2006	Current	N/A	\$250,000.00	\$50,000.00	\$5,000.00	\$195,000.00	\$5,000.00	\$190,000.00	\$53,200.00
	Old	N/A							
	Net	New	\$0.00	\$50,000.00	\$5,000.00	\$195,000.00	\$5,000.00	\$190,000.00	\$53,200.00
May 2006	Current	N/A	\$350,000.00	\$35,000.00	\$3,500.00	\$311,500.00	\$4,500.00	\$307,000.00	\$85,960.00
	Old	N/A							
	Net	N/A	\$350,000.00	\$35,000.00	\$3,500.00	\$311,500.00	\$4,500.00	\$307,000.00	\$85,960.00
June 2006	Current	N/A	\$750,000.00	\$250,000.00	\$10,000.00	\$490,000.00	\$3,730.00	\$486,270.00	\$136,155.60
	Old	N/A							
	Net	N/A	\$750,000.00	\$250,000.00	\$10,000.00	\$490,000.00	\$3,730.00	\$486,270.00	\$136,155.60


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Payment Request Confirmation

Amount of Payment Request: **\$260,599.48**

Date of Payment Request: **July 25, 2006**

Thank you for submitting a payment request to the RDS Center. Please allow 30 days for the processing of your request. The Account Manager and Authorized Representative listed on this application will be notified via e-mail when the payment is finalized.

Benefit Options Included in Payment Request

Benefit Option Name	Unique Benefit Option Id	Current Subsidy Amount	Old Subsidy Amount	Net Subsidy Amount
GM	GM	\$452,280.91	\$191,681.43	\$260,599.48

Payment Requests

Payment Requests: Common Questions

- Q. If my costs have been updated and I was paid too much, will RDS withdraw money from my bank account?
- A. If you need to update costs simply adjust costs during the interim payment process. RDS will not withdraw money from your bank account.

Payment Request: Common Questions

Q. I am having difficulty submitting my payment, what could be wrong?

A. Common problems experienced include Sponsors who have not completed the following prior to requesting payment:

- Current Application status must be “Approved”
- Current Application must have an Interim payment frequency
- Payment Setup must be completed
- If you identify a Vendor as a Cost Reporter during Payment Setup, you must also associate that Vendor with a Benefit Option(s) during Payment Setup
- Authorized Representative Verification (vetting) status must be “Approved”

Payment Request: Common Questions

- Q. What timeframe do I have to submit an interim payment request?
- A. All interim payment requests must be submitted within 15 months after the plan year end date.

General Questions and Reminders

General Questions: RDS Payment

Q. How will I be able to identify the RDS electronic payment?

A. The RDS electronic payment can be identified by:

- the subheading "CMS- Retiree Drug Subsidy"
- Payments can be further identified by matching the subsidy dollar amount requested with the subsidy dollar amount deposited
- A Plan Sponsors Application ID or Plan Sponsor ID will NOT appear on the bank deposit transaction
- Plan Sponsors should alert all appropriate parties that an RDS deposit will be made into their bank account

General Questions: Data Retention

Q. How long should a Plan Sponsor or Designee keep records pertaining to RDS?

A. In the regulation, Plan Sponsors and/or a Designee are required to keep records for 6 years from the expiration of the plan year in which the costs were incurred.

General Questions: Response Files

- Q. I received an e-mail that my response file is available but there is no response file presented when I log on to the secure website.
- A. E-mails are sent to communicate that a response file is available however 24 – 36 hours should be allowed for the file to appear.

General Questions: Mainframe

Q.If I am using a Vendor to report costs via mainframe, do I have to assign a Designee from the Vendor to view the reported costs?

A.No, it is optional.

*Please remember, Vendors reporting costs via mainframe should make sure to get the correct Application ID and UBOI from the Plan Sponsor before submitting a cost file

General Reminders

- Plan Year 2007 Application Reminder
- Response files are available in RDS Secure Web Site under Download Retiree Response File link—there is a separate link for Notifications
- Double-check Bank information before requesting payment

Thank you.